

**CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND**

FISCAL YEAR 2013/2014 PROJECTS SCHEDULED FOR CONSTRUCTION

On-Going Pavement Management Program: In 2009/2010 the city completed the initial 3-year plan to upgrade the condition of city streets. The initial costs were funded with general obligation bond proceeds. Annual allocations to maintain streets at this higher level began in 2010. This ongoing program will be funded from the 20% allocation of the local option sales tax dedicated by voter referendum for the pavement management program. These funds will be used for curb and gutter replacement, full depth patching, joint sealing, and street resurfacing.

| <u>Funding Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|------------------------------|---|
| Local Option Sales Tax Funds | \$ 500,000 |

Future Impact on Operating Budget: This project will maintain streets at a higher level to avoid future costs.

Cedar Street Improvement Project – Parham to Houser: This project originally involved the resurfacing of this portion of Cedar Street with 80% of project costs funded through the federal STP grant program in the amount of \$551,772. The City is now planning an expanded project for this heavily used street. This includes widening the street to three lanes including turning lanes and constructing a trail on one side of the street for pedestrian use. The total cost of the expanded project is estimated at over \$4 million. The original STP grant funding of \$551,772 was increased to \$1,758,271 for the expanded project. The City was awarded an additional \$138,000 in grant funds to install a traffic signal at the high school. This project is being completed in phases which began in 2011 and will continue through 2014. Culvert work was completed in 2011 and utility relocation, clearing, and drainage work was done in 2012. Easements for the project are being obtained in 2012 and 2013. Construction of the paving portion of the project is planned to begin late in 2013 and continue in 2014. The financing plan for this project will be finalized when bids are received for this project in September 2013. The 2012 bond issue included \$1,068,000 in funding towards the local share of project costs. The 2014 bond issue will include additional funding. This additional bond funding may be supplemented with Road Use Tax funds or funds from the Pavement Management portion of the Local Option Sales Tax.

| <u>Funding Sources</u> | <u>FY 2013/2014 Funding Amount</u> |
|---------------------------------------|---|
| Federal Grants | \$ 1,456,700 |
| Muscatine Power & Water Reimbursement | 30,000 |
| Bond Proceeds (Estimate) | <u>1,401,500</u> |
| | <u>\$ 2,888,200</u> |

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Colorado Street Resurfacing Project: The Colorado Street Resurfacing project was originally estimated at a total cost of \$1.5 million. This project will receive \$1.2 million (80% of the original cost estimate) in funding through the federal STP grant program. The project scope has been expanded to include more extensive improvements to this street which is estimated to increase the total project cost to \$2.85 million (excluding the Pierce property acquisition), with the local share increasing to \$1.65 million. Engineering design services began in 2010/2011 and will be completed in 2012/2013. Bids for the project are scheduled to be received in August, 2013, with construction to begin late in 2013 and continue through 2014. The 2012 bond issue included \$1,055,000 in funding towards the local share of project costs. The 2014 bond issue will include additional funding. This additional bond funding may be supplemented with Road Use Tax funds or funds from the Pavement Management portion of the Local Option Sales Tax.

| <u>Funding Sources</u> | <u>FY 2013/2014 Funding Amount</u> |
|-------------------------------------|---|
| Federal STP Funds | \$ 600,000 |
| Prior Year Bond Proceeds | 160,000 |
| Additional Bond Proceeds (Estimate) | 500,000 |
| | <u>\$ 1,260,000</u> |

Future Impact on Operating Budget: This will reduce annual maintenance costs. The amount cannot be determined.

Downtown TIF Area Resurfacing Project: In January 2013 the City submitted an application for funding through the 2013 Community Development Block Grant Downtown Revitalization Program for building façade improvements along Alley #1. If approved, the grant would fund building façade improvements as well as relocating the current electrical lines to provide for underground electrical service. Private funds will be sought to assist in funding these improvements and the local match for the grant. Remaining funds from the prior year Downtown TIF Area Resurfacing Project are budgeted to be used to resurface the alley after the electrical lines are buried. This funding is subject to the award of this grant.

| <u>Funding Sources</u> | <u>FY 2013/2014 Funding Amount</u> |
|-------------------------------|---|
| Prior Year TIF Bond Proceeds | \$ 30,000 |

Future Impact on Operating Budget: None

Riverfront Development Project: A portion of the available balance in this fund is budgeted to be used for signs designating the Riverview Center and Pearl City Station buildings on the riverfront.

| <u>Funding Sources</u> | <u>FY 2013/2014 Funding Amount</u> |
|-------------------------------|---|
| Prior Year Donation | \$ 3,000 |

Future Impact on Operating Budget: None

Park Maintenance Building: Replacement of the maintenance facility at Weed Park has been included in the City's Five Year Capital Improvements Plan. The new facility will include modern locker rooms and restrooms as well as increased space for equipment maintenance and storage. The building design work is scheduled for 2012/2013 with construction scheduled for 2013/2014. The project is budgeted to be funded from the 2014 bond issue with the debt service on this portion of the issue to be funded from future tax increment funds.

| <u>Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|---|--|
| Bond Proceeds funded from Future TIF Funds | \$ 275,000 |

Future Impact on Operating Budget: No increased operating costs are expected with the new facility.

Musser Park to Weggens Road Trail: The local Trails Committee secured a federal grant for this trail project and an Iowa Recreational Trails grant will provide additional funding for this project. The grants, however, do not fund preliminary project costs including surveys and trail design services. The Trails Committee requested and received financial assistance from the City in the amount of \$50,000 for these costs with this amount funded from the 2010 bond issue. The trail survey and design work began in 2011/2012 and continues in 2012/2013 with trail construction scheduled to begin in 2013/2014 and be completed in 2014/2015.

| <u>Funding Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|---|--|
| Federal and State Grants | \$ 445,000 |
| Prior Year Bond Proceeds and Local Contributions | <u>61,000</u> |
| | <u>\$ 506,000</u> |

Future Impact on Operating Budget: There will be an increase in costs for trail maintenance once the trail is constructed. The amount is estimated at \$1,500 annually.

Financial Software System Replacement: The City's current financial software runs on an IBM AS/400 computer and is used for all financial operations including general ledger, payroll, accounts payable, accounts receivable, and purchasing. The 2012/2013 budget included funds to replace and enhance this system with a new software system. Enhancements specifically targeted for the new system included making financial information more accessible to departments for budget monitoring purposes, electronic processing and distribution of purchase orders, electronic input and approval of employee work and leave hours by departments, and various other process enhancements. A staff committee researched several systems and recommended Springbrook Software for the new system. City Council approved the agreement with Springbrook in December 2012 and the software conversion is scheduled to begin in the summer of 2013 and be fully completed in the spring of 2014. The total cost of purchasing and implementing the new software is \$160,000. This includes the software, hardware, and on-site training for the new system. A portion of the cost (\$110,000) was reflected in 2012/2013 with the balance to be paid in 2013/2014.

| <u>Funding Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|----------------------------------|--|
| Prior Year General Fund Transfer | \$ 50,000 |

Future Impact on Operating Budget: Annual software costs for the new system are approximately \$800 higher per year than those for the current system. The new system, however, includes several applications not included in the current system.

Storm and Sanitary Sewer Improvements: In 2007 the City signed a Consent Order with the Environmental Protection Agency (E.P.A.) which requires the City to complete specific major sewer separation projects by 2024. The E.P.A. recently approved the City's request to extend the deadline in the Consent Order to 2028. In 2008 voters approved extending the local option sales tax for a 10-year period beginning July 1, 2009 with 80% of these funds allocated for sewer improvements including the projects mandated by the Consent Order. Construction on the second and final phase of the Hershey Avenue sewer improvement project was completed in 2011/2012. This was a major project mandated by the Consent Order. The remaining project in the Consent Order is the separation of the combined sewers in the West Hill area. Many of the City's sewer improvement projects have been funded through the one (1) percent local option tax and others have been funded through sewer fees allocated to the Sewer Extension and Improvement Reserve in the Collection and Drainage Fund. The West Hill Sewer Separation Project is the only sewer project budgeted for 2013/2014.

West Hill Sewer Separation Project – The City has an agreement with an engineering firm for conceptual and final design services for this major sewer separation project. This project is required to be completed by 2028 under the City's Consent Order with the Environmental Protection Agency. This project will be constructed in multiple phases over the next fifteen years and the total cost for all of the phases is projected to reach or exceed \$50 million. Construction on Phase 1 of the project began in the summer of 2012 and is scheduled for completion in the fall of 2013. The bid for Phase 2 of the project was awarded in February, 2013 and construction on Phase 2 will begin in the summer of 2013 and continue through 2014.

| <u>Funding Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|--|--|
| Local Option Sales Tax Funds – Phase 1 | \$ 860,000 |
| Local Option Sales Tax Funds – Phase 2 | <u>2,010,000</u> |
| | <u>\$ 2,870,000</u> |

Future Impact on Operating Budget: This project will reduce maintenance costs to the storm and sanitary sewer system. Specific cost savings cannot be determined.

Southend Force Main Air Release Valve Project: This project involves removal of the old valves on this force main and installation of new valves with improved design. The 2013/2014 funding allocation is for the second year of a three-year plan to replace these valves.

| <u>Funding Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|---|--|
| Sewer Extension and Improvement Reserve | \$ 100,000 |

Future Impact on Operating Budget: There will be a reduction in maintenance costs with the new valves. The amount cannot be determined.

Water Pollution Control Plant Lab Expansion Project: This project involves expanding the lab area of the plant as well as replacement of the existing lab countertops and fume hoods. Engineering design for this project is in progress in 2012/2013 with construction scheduled for 2013/2014.

| <u>Funding Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|---------------------------------------|---|
| Water Pollution Control Plant Reserve | \$ 600,000 |

Future Impact on Operating Budget: None

Transfer Station Crane and Cab: The crane and cab currently in use at the Transfer Station was purchased in 1993 when this facility first opened. This equipment is critical to the operation at the Transfer Station and is in need of replacement. Since the Transfer Station has a minimal fund balance an internal loan from other funds will be used to finance this purchase. This loan will be repaid with Transfer Station revenues over the next four years. These types of loans have been used in the past for other equipment items at the Transfer Station.

| <u>Funding Source</u> | <u>FY 2013/2014 Funding Amount</u> |
|--------------------------------------|---|
| Transfer Station Fund (Down Payment) | \$ 35,500 |
| Internal Loan | 136,000 |
| | <u>\$ 171,500</u> |

Future Impact on Operating Budget: There will be an estimated \$2,000 in annual savings in maintenance costs with the new equipment.

Airport Hangar Access Security and T-Hangar Drainage Improvements: The city was awarded funding from the State to improve drainage in the area of the T-Hangars during excessive rain events and to install fencing and a security camera to improve hangar access security. The grant provides for 85% State funding and a 15% local match. Engineering work for this project began in 2011/2012 and is continuing in 2012/2013. While designing this project it was determined that the amount included in the original grant would not be sufficient to complete the drainage improvements portion of this project. The City has submitted an application for additional funding to complete this project. The 2012/2013 funding amount reflected engineering design work and the security camera portion of this project. The local share of the original project cost was included in the June 2012 bond issue. The 2013/2014 funding amount reflects the updated project cost estimate and additional grant funds for the drainage improvements portion of this project. The 2014 bond issue will include funding for the additional local share of the project costs.

| <u>Funding Sources</u> | <u>FY 2013/2014 Funding Amount</u> |
|-------------------------------|---|
| State Grant | \$ 140,300 |
| Prior Year Bond Proceeds | 5,100 |
| Bond Proceeds from 2014 Issue | 20,000 |
| | <u>\$ 165,400</u> |

Future Impact on Operating Budget: None

Airport Runway Repairs: There have been several concrete blowups on the runways at the airport in recent years. This project involves concrete repairs needed to prevent future similar occurrences. The total cost for this project is estimated at \$785,000 with Federal Aviation Administration (FAA) grants funding 90% of project costs and a 10% local match. This project is scheduled to begin in 2013/2014 and be completed in 2014/2015. The local share of project costs will be funded from the 2014 bond issue.

| <u>Funding Sources</u> | <u>FY 2013/2014 Funding Amount</u> |
|---|---|
| Federal Aviation Administration (FAA) Grant | \$ 353,300 |
| Bond Proceeds | <u>78,500</u> |
| | <u>\$ 431,800</u> |

Future Impact on Operating Budget: This project will reduce repair costs from any future runway blowups. The amount of savings, however, cannot be determined.